

DEC 30 2013

FCC Mail Room

Raymond C. Walen, Jr. 171194
Ionia Correctional Facility
1576 West Bluewater Highway
Ionia, MI 48846

December 19, 2013

Commission's Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

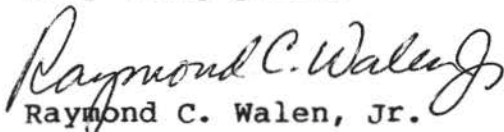
In the Matter of Rates for Intrastate Inmate Calling Services

WC Docket 12-375

Dear Commission's Secretary:

Here is a corrected copy of the my comments dated December 10, 2013. I received the Report And Order And Further Notice Of Proposed Rulemaking on December 7 and to insure my comments reached you on time I sent them to someone in Michigan to e-file. But the file was too big to e-file so they mailed you two hard copies under my name. I am not sure they reached the correct address, so I am re-sending my comments with corrections. I turned them in to prison officials for mailing today so I hope you will deem them timely and consider them. Thank you very much.

Very truly yours,


Raymond C. Walen, Jr.

Encls.

No. of Copies rec'd 0+1
List ABCDE

Raymond C. Walen, Jr. 171194
Ionia Correctional Facility
1576 West Bluewater Highway
Ionia, MI 48846

December 10, 2013

CORRECTED COPY

Received & Inspected

DEC 30 2013

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Commission's Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554
<http://fjallfoss.fcc.gov/ecfs2/>

In the Matter of Rates for Intrastate Inmate Calling Services

WC Docket 12-375

Dear Commissioners:

I write to comment on several subjects on which you requested comment in your Report and Further Notice of Proposed Rulemaking released on September 26, 2013. I request that you conclude that site commissions are an impermissible addition to prison telephone rates; that you will require a per minute rather than a per call rate; that you prohibit fees for ancillary charges; that you require telephone companies that engage in billing related call blocking to offer prepaid collect calling; and that you forbid exclusive contracts for prisoner telephone calling.

I. My Background

I have been in prison in Michigan since 1982. The telephone is an indispensable means of maintaining family contact, and it is essential for access to courts and counsel. Over the past thirty-one years I have relied on the telephone to contact the lawyers, private investigators, and others helping me with challenges to my criminal convictions and cases involving conditions of confinement. Few lawyers who represent the imprisoned have the time or resources for many visits, and a telephone call can quickly clear up questions that might otherwise involve several letters.

I worked as a staff paralegal for Prison Legal Services of Michigan, Inc. (PLSM), a private non-profit corporation, from October 1987 until it closed in November 2008. From 1975 until April 2003, PLSM had offices inside the walls of the State Prison of Southern Michigan in Jackson, and at various times during those years it had offices inside other Michigan prisons. Prisoner access to reasonably priced telephone calls was vital

to our work. The average reading level in Michigan prisons is below eighth grade and in many cases it was easier to communicate by telephone than by mail.

I was a named plaintiff in Cain et al v Michigan Department of Corrections, Ingham County Circuit Court Case No. 88-61119-A7, a state-wide prisoner class action case in which one of the issues was prisoner telephones. The court appointed me and six other men to represent the plaintiff class from 1988 through 1996, when the court appointed PLSM as counsel. We remained active in the case as class representatives until settlement and monitoring were complete in November 2005. I am still in prison and I use the telephone almost daily, but not as much as I would if the rates were lower.

II. Telephones in Michigan Prisons

Michigan prisons have had telephones for prisoners since 1972. From then until 1991, what ever telephone company served a community also provided operator assisted collect call only services to the prison there. The charges were reasonable - the same as those charged for collect calls in the community.

III. Site Commissions

In 1991, Michigan began charging the telephone companies "premises fees" which it interchangeably called "commissions." It contracted with four telephone companies: Sprint, AT&T, Ameritech, and GTE-North. Each provided service in a different geographic area of the state and each paid a different percentage of billings in commissions. The commissions ranged from 15% to 45% of the telephone company's billings, depending on the contract with that particular telephone company. The commissions Michigan received grew from \$3 million in FY-1991 to more than \$10.4 million by FY-1996. The Corrections Appropriations bills for those years show that the commissions were used to fund the "county jail program." Under this program Michigan reimbursed counties for the cost of care for criminal defendants who could have been sentenced to prison but were sentenced to jail instead. Enclosure 1 is a spreadsheet that shows the commissions Michigan received from the telephone companies from FY-1993 through FY-1996. It was provided by the Michigan Department of Corrections and was part of Plaintiff's Exhibit 342 in Cain v MDOC.

In response to one of our written interrogatories in Cain, the MDOC said, "The [telephone] vendors are charged premise fees due to the fact that their equipment is installed on State of Michigan property." (Response to February 1997 Interrogatory No. 123.) To compare prisoner telephone rates with those charged to civilians calling our office from a pay telephone on State property in the lobby of the prison, our office manager went to the lobby and made a collect call to the office that cost

half the price of a collect call to the office from the telephone on the prison yard in the same prison. The lobby telephones were not restricted to a single telephone company; the caller could select which telephone company she would use. If there was a commission paid on calls from the lobby telephones, it would seem to have been much lower than that charged on prisoner calls.

In 1993 Michigan's legislature enacted MCL 791.270, which allowed prison officials to monitor and record prisoners' telephone calls. The following year the MDOC adopted administrative rule R791.6638 which set forth procedures for monitoring and recording the calls, and it contracted with the telephone companies to monitor and record prisoners' calls. Beginning in 1996, prisoners were allowed to call only numbers on a pre-approved list and calls were limited to fifteen minutes per call, after which telephone company equipment disconnected each call.

In 2001, Michigan contracted with Sprint as the sole provider of prisoner telephone services. The system allowed collect, prepaid collect, and debit calls. The contract guaranteed Michigan a minimum of \$13.5 million in commissions or 50.99% of the gross revenue generated from prisoner telephone calls, whichever was greater. The price of a telephone call from prison went through the roof.

Local calls were billed at a flat rate of \$2.00 per fifteen minute call. A fifteen minute Intra-LATA call cost \$4.10 in the daytime and \$3.26 evenings, nights, and weekends. A fifteen minute inter-LATA (intra-state) call cost \$7.85 any time of day, and a fifteen minute inter-state call cost \$17.34. The prices for intra-LATA calls included a \$2.00 surcharge assessed at the point the called party took the call. The surcharges on intra-state and inter-state calls were \$2.95 and \$3.99, respectively. If a call was dropped after ten seconds, the bill was the surcharge plus the first minute. Refunds were possible, but involved such a run-around from the telephone company that few people pursued them. Enclosure 2 is page 156 of Contract No. 071B1001568 between the State of Michigan and Sprint. This five year contract took effect in 2001 and in 2006 it was extended until 2011.

III. Elimination of Site Commissions

In 2007 a years-long lobbying effort by MI-CURE, American Friends Service Committee, and Citizens' Alliance on Prisons & Public Spending (CAPPS) paid off and Michigan's legislature incorporated into the FY 2007-2008 Corrections Appropriations bill language proposed by the State Bar of Michigan's Prisons & Corrections Section: "Any contract for prisoner telephone services entered into after the effective date of this act shall include a condition that the fee schedules for prisoner telephone calls, including rates and any surcharges other than those necessary

to meet special equipment costs, be the same as fee schedules for calls placed from outside of correctional facilities." The same language was carried forward into the Corrections Appropriations bills through FY 2011-2012.

The Bar's position paper explained that by "special equipment costs" it meant the costs of equipment needed for monitoring and recording of prisoner telephone calls under MCL 791.270. Because under the contract the telephone company rather than the state had to assume that cost, there was no longer any acceptable rationale for the high commissions to the MDOC.

From August 1, 2008 until mid-June of 2011, the rates for prisoners' calls were as follows: collect and prepaid collect calls \$0.12 per minute intra-state and \$0.15 per minute inter-state; debit calls \$0.10 per minute intra-state and \$0.12 per minute inter-state. International debit calls were \$0.50 per minute. All taxes were included in these prices and nothing was kicked back to the State. Enclosure 3 is the August 1, 2008 rate schedule that was posted in the prisons.

IV. Site Commissions Return Under A New Name

In 2010 Michigan solicited bids for a new prisoner telephone contract. Paraphrasing the language in Section 219 of the Corrections Appropriations bill, the Request for Proposal asked bidders to include information on setting up a "special equipment fund."

In February 2011, Michigan awarded the prisoner telephone contract to Public Communications Services, Inc. (PCS), of Los Angeles, CA. The contract does not expressly contain any reference to the Corrections Appropriations bill that bars "any surcharges other than those necessary to meet special equipment costs." Under the contract, PCS provides all hardware and software for calling, monitoring, and recording prisoners' telephone calls. The "base rate" for these services is \$0.0393 per minute for collect and prepaid collect calls (local, intra-state, and inter-state), and \$0.0343 for debit calls (local, intra-state and inter-state). The base rate for debit only international calls was \$0.4995 per minute. Enclosure 4 is excerpts from the Contract between the State of Michigan and Public Communications Services, Contract No. 071B1300208 (3/18/11) and Change Notice No. 1 (4/23/11).

Change Notice No. 1 summarizes the per minutes rates charged on prisoner telephone calls. The local, intra-state, and inter-state calls on which the base rate is under \$0.04 per minute are billed at between \$0.18 and \$0.23 per minute, not including taxes. Change Notice No. 1 imposes two surcharges on all prisoner telephone calls. The first is flat rate \$0.0075 per minute on all calls to pay for a "key Word Search Addition" to the monitoring and recording software for the prisoner

telephones.

The second is a surcharge that varies from \$0.1382 per minute to \$0.2430 per minute, depending on the type of call, to pay for the "Special Equipment Fund Addition."

Buried on page 87 of the contract, "Exhibit 4 - Optional Services," defines "Special Equipment Fund" as "Funds provided each year to support the State's Special Equipment Fund. This could be used to procure cell phone detection technology, or other further technology initiatives within the MDOC."

Page 92 of the contract explains that the Special Equipment Fund can be used for anything the MDOC wants it to be used for. It looks a lot like a means of raising revenue for things other than the prisoner telephone system. A copy is included in Enclosure 4.

The proceeds of the Special Equipment Fund are divided between the State and the telephone company in a ratio that depends upon the number of minutes billed annually and monthly. According to an attachment to Change Notice No. 1 entitled "Special Equipment Fund (per month) Revised V2," the State receives seventy percent of the surcharge for fewer minutes, and up to eighty percent of the surcharge at the high end. The other twenty to thirty percent of the surcharge is the telephone company's share for managing this fund. At the seventy-thirty split on an intra-state debit call with a Special Equipment Fund surcharge of \$0.1382, the telephone company is compensated at a rate higher than it charges for the actual telephone call: \$0.0343 for the call and \$0.04146 from the Special Equipment Fund! The State gets \$0.09664 per minute. Yet both the cover sheet of the Contract and the cover sheet of Change Notice No. 1 state that the value to the State of the Contract is \$5.00.

On June 19, 2011, mlive.com reported that MDOC spokesman John Cordell said there is no profit for the MDOC in the Special Equipment Fund and that the money from the Special Equipment Fund will be used for equipment "to detect and jam cell phones within [prison] facilities." Hopefully Mr. Cordell was unaware that cell phone jammers are not sold in the United States and importing them is a violation of federal law. United States v. Murphy, 518 Fed. App'x. 396, 398 (6th Cir. 2013). Enclosure 5 is a copy of the mlive.com report.

Mr. Cordell told mlive.com that the MDOC confiscates "eight to ten" cell phones annually. He did not say whether they are confiscated from prisoners or staff. He said prisoners using smuggled cell phones "has not gotten out of hand in Michigan."

Michigan's legislature tried to block the Special Equipment Fund in Section 272 of 2011 Senate Bill 138, a supplemental appropriation bill that eliminated it and required that rates

for prisoner telephone calls be no greater than rates for residential users in the area surrounding the prison. The governor signed the bill and told the MDOC to ignore Section 272 because in his opinion it was unenforceable. Enclosure 6 is copies of Section 272 of the bill and a 7/14/11 Gongwer's News Service article from the CAPPS website about the governor's action.

All along it has been unclear to me why the MDOC would have to buy and learn how to use cell phone detection equipment, when PCS offers that service as part of the contract that the MDOC chose not to use. See pages 87 and 96 of the contract, included in Enclosure 4.

In 2012 the MDOC abandoned the pretense of cell phone detection. It requested that the Legislature approve use of the Special Equipment Fund to buy TASERS and "Personal Protection Devices" for the prison staff. The Corrections Appropriations bill for FY 2012-2013 approved this use of the money.

Even these limits have been lifted from the Corrections Appropriations bill for the current fiscal year. It uses \$6 million of the Special Equipment Fund for unspecified "capital outlay," \$5.8 million for unspecified "operations support," and \$2 million for counseling programs such as the "Violence Prevention Program," "Thinking For Change," and sex offender treatment.

V. Comments on Specific Paragraphs

133. I hope that you will conclude that site commissions are an impermissible addition to telephone rates. Our experience in Michigan typifies the "wild west attitude" referred to in footnote 212 on page 31 of the Commission's Report and Order.

I pay the telephone company \$0.04146 per minute in a surcharge on call for which the base rate is \$0.0343. It seems anomalous that a telephone company makes more money from its financial machinations than it does from its telephone business. That sounds more like a banker. Perhaps banking regulators should look into this.

The State, on the other hand, received a windfall of more than \$13 million this year. That is unfair, unreasonable, and unjust. Even if the money added to the price of legitimate prisoner calls were used to detect users of illegal cell phones, that would be grossly unfair. I compare it to taxing legitimate buyers of over the counter medications to pay for the costs of enforcing laws against illegal drug use. The only reason the situation is tolerated in prison is because it mostly affects the poor and disenfranchised and we lack the voice of the prison lobby.

160 to 162. The problem with a per call rate is to get

reimbursement for dropped calls that are the fault of the prison telephone company. When Michigan had the Sprint surcharge assessed per call, a ten second dropped call would cost over \$3 and each time I had to write letters and complaints for six months or more to get my money back.

167. In Michigan prisoners pay no fee for putting money in the debit calling account, but our families and others pay a \$3.95 credit card fee each time they add money for prepaid collect. Enclosure 4, page 94.

173. Billing related call blocking. Telephone companies must offer prepaid collect calling if they engage in billing related call blocking. Many prisoners have substance abuse or gambling issues and their families understand that if they send money for debit calling they may instead be funding that habit. Without prepaid collect calling, they may not be able to talk to their loved one in prison. Also, in Michigan, many prisoners are assessed court costs and restitution payments. These debts are deducted from their prison accounts at the rate of 50% of all deposits over \$50 each month. Thus if someone sends a prisoner who owes costs or restitution money for debit calling, it is subject to seizure. If the prisoner has earned or received \$50 for that month, the sender will have to send twice as much as needed for calling because the State will take half.

176. Michigan's experience with multiple contracts through the 1990s shows that exclusive contracts are only necessary when the State is trying to wring higher fees from the telephone companies. Modern technology is such that any telephone company can handle the monitoring and recording.

Please let me know if you have any questions or need more information. Thank you for considering my comments.

Very truly yours,

Raymond C. Walen, Jr.

Encls.

MICHIGAN DEPARTMENT OF CORRECTIONS
TELEPHONE COMMISSIONS

Item 126
000342

FY - 1993	SPRINT	AT&T	MICH BELL	GTE - NORTH	TOTAL
OCT			\$8.89		\$8.89
NOV	\$436,990.81		\$68.00		\$437,058.81
DEC	\$418,408.98	\$43,486.55	\$154,799.31	\$32,107.73	\$648,802.57
JAN	\$459,131.63		\$110.38		\$459,242.01
FEB	\$444,257.07	\$55,051.15	\$111,124.98		\$610,433.20
MAR	\$383,006.47	\$25,798.42	\$164,470.62		\$573,275.51
APR	\$404,799.21	\$9,694.91	\$90,128.30		\$504,622.42
MAY	\$422,766.34	\$2,434.53	\$109,514.39	\$129,140.45	\$663,855.71
JUN	\$421,863.84	\$2,278.67	\$92,753.46		\$516,895.97
JUL	\$406,381.39	\$2,319.18	\$87,340.36		\$496,040.93
AUG	\$401,598.82	\$2,964.26	\$241.82	\$19.36	\$404,824.26
SEP	\$782,688.90	\$2,852.40	\$304,292.84		\$1,089,834.14
TOTAL - FY93	\$4,981,893.46	\$146,880.07	\$1,114,853.35	\$161,267.54	\$6,404,894.42

FY - 1994	SPRINT	AT&T	AMERITECH	GTE - NORTH	TOTAL
OCT					\$0.00
NOV	\$392,353.41	\$2,207.70	\$7.17	\$222,782.90	\$617,351.18
DEC	\$401,167.62	\$2,680.19	\$0.54		\$403,848.35
JAN	\$444,430.73	\$2,726.75	\$74,767.54		\$521,925.02
FEB	\$415,932.20	\$2,590.40	\$103,738.53		\$522,261.13
MAR	\$387,307.26	\$2,555.97	\$207,537.08		\$597,400.31
APR	\$434,973.28	\$2,287.57	\$137,642.32		\$574,903.17
MAY	\$394,086.61	\$2,430.17			\$396,516.78
JUN	\$477,747.20	\$2,315.50	\$250,411.17	\$164,178.50	\$894,652.37
JUL	\$615,005.06	\$2,397.36	\$152,352.83		\$769,755.25
AUG	\$483,682.77	\$3,422.29	\$138,110.16		\$625,215.22
SEP	\$914,840.30	\$6,750.51	\$343,651.22		\$1,265,242.03
TOTAL - FY94	\$5,361,526.44	\$32,364.41	\$1,408,218.56	\$386,961.40	\$7,189,070.81

FY - 1995	SPRINT	AT&T	AMERITECH	GTE - NORTH	TOTAL
OCT	\$0.00	\$0.00	\$12,081.23	\$0.00	\$12,081.23
NOV	\$0.00	\$0.00	\$11.86	\$0.00	\$11.86
DEC	\$821,503.24	\$0.00	\$145,089.49	\$0.00	\$966,592.73
JAN	\$415,190.67	\$5,780.29	\$168,858.62	\$0.00	\$589,829.58
FEB	\$407,991.89	\$1,302.69	\$54,473.73	\$0.00	\$463,768.31
MAR	\$519,615.40	\$8,633.30	\$361,527.43	\$0.00	\$889,776.13
APR	\$463,311.12	\$10,660.37	\$146,816.32	\$0.00	\$620,787.81
MAY	\$460,634.58	\$12,235.58	\$162,017.74	\$48.72	\$634,936.62
JUN	\$458,377.44	\$12,468.22	\$153,035.90	\$89.27	\$623,970.83
JUL	\$528,642.55	\$12,189.35	\$158,226.81	\$55.55	\$699,114.26
AUG	\$554,070.95	\$11,987.38	\$183,759.80	\$54.28	\$749,872.41
SEP	\$1,087,132.46	\$33,522.14	\$569,398.97	\$61.48	\$1,690,115.05
TOTAL - FY95	\$5,716,470.30	\$108,779.32	\$2,115,297.90	\$309.30	\$7,940,866.82

FY - 1996	SPRINT	AT&T	AMERITECH	GTE - NORTH	TOTAL
OCT	\$0.00	\$1.98	\$1,285.42	\$703,547.79	\$704,835.19
NOV	\$555,280.60	\$0.00	\$197,508.93	\$127.83	\$753,017.36
DEC	\$559,163.97	\$13,709.63	\$219,154.51	\$73.47	\$792,101.58
JAN	\$627,568.35	\$13,705.39	\$1,873.74	\$232.13	\$643,379.61
FEB	\$590,160.62	\$16,734.31	\$207,114.31	\$67.95	\$814,077.19
MAR	\$556,438.77	\$16,050.44	\$244,696.49	\$70.82	\$817,256.52
APR	\$601,421.74	\$13,325.51	\$229,269.00	\$92.21	\$844,108.46
MAY	\$607,571.51	\$12,773.35	\$226,778.70	\$8,580.30	\$855,703.86
JUN	\$609,097.89	\$1,660.85	\$209,923.69	\$9,248.82	\$829,931.25
JUL	\$568,880.80	\$2,808.62	\$208,848.74	\$76.82	\$780,614.98
AUG	\$548,294.21	\$2,297.82	\$197,330.41	\$9,411.24	\$757,333.68
SEP	\$1,152,135.68	\$5,365.04	\$361,850.18	\$311,877.37	\$1,831,228.27
TOTAL - FY96	\$6,976,014.14	\$98,432.94	\$2,305,734.12	\$1,043,406.75	\$10,423,587.95

attachment 126


Sprint Proposed Network

ATTACHMENT B: Pricing

State of Michigan DOC Accepted Pricing for Sprint Inmate Telephone Services

Option A

Option A offered by Sprint allows the State to maintain the revenue stream of \$13.5M in commission dollars while maintaining low fixed rates that are below current tariffed rates for Ameritech GTE, and AT&T. If the State chooses to proceed with this option, a premise fee of **50.99% (fifty point ninety-nine percent)** will be paid on the gross revenue generated. Sprint has based the fixed rates to generate a premise fee of **\$13.5M annually** to the State. The rates in Option A are approximately 38.6% below tariff and are displayed below.

		Pricing Rate Information Sheet									
RATE INFORMATION SHEET		Option A - Best and Final									
LOCATION		State of Michigan. Inmate									
FROM	TO	Destination City	Type	Surcharge	DAY		EVENING		NIGHT/WEEKEND		
			Specify Type, Local, Intra State, Inter-State, etc.		INITIAL MINUTE	ADD'T'L MINUTE	INITIAL MINUTE	ADD'T'L MINUTE	INITIAL MINUTE	ADD'T'L MINUTE	
Detroit											
313-369	313-224	Detroit, MI	Local	\$ 2.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
313-369	734-482	Ypsilanti, MI	Intra-LATA	\$ 2.00	\$ 0.140	\$ 0.140	\$ 0.084	\$ 0.084	\$ 0.084	\$ 0.084	4.10/3.26
313-369	517-788	Jackson, MI	Intra-State	\$ 2.95	\$ 0.325	\$ 0.325	\$ 0.325	\$ 0.325	\$ 0.325	\$ 0.325	7.925
313-369	906-228	Marquette, MI	Intra-State	\$ 2.95	\$ 0.325	\$ 0.325	\$ 0.325	\$ 0.325	\$ 0.325	\$ 0.325	
313-369	312-727	Chicago, IL	Inter-State	\$ 3.99	\$ 0.890	\$ 0.890	\$ 0.890	\$ 0.890	\$ 0.890	\$ 0.890	
313-369	407-824	Orlando, FL	Inter-State	\$ 3.99	\$ 0.890	\$ 0.890	\$ 0.890	\$ 0.890	\$ 0.890	\$ 0.890	17.34
PREMISE FEE OFFER:		50.99%									

ATTACHMENT B: Pricing
(Effective August 1, 2008)

State of Michigan DOC Accepted Pricing for Embargo Inmate Telephone Services

The following table contains the pricing rate information that has been modified as a result of the removal of the 50.99% premise fee, and surcharges that were included in the previous table.

COLLECT CALL RATES		
Type	Surcharge	Rate per minute
Local	\$0.00	\$0.12
Intralata	\$0.00	\$0.12
Interlata	\$0.00	\$0.12
Interstate	\$0.00	\$0.15

DEBIT CALL RATES		
Type	Surcharge	Rate per minute
Local	\$0.00	\$0.10
Intralata	\$0.00	\$0.10
Interlata	\$0.00	\$0.10
Interstate	\$0.00	\$0.12
International	\$0.00	\$0.50

Premise Fee Offer	0%
--------------------------	----

Definition of Call Rate Types:

Local - a geographical area defined by tariff in close proximity
Intralata - a geographical area defined by tariff outside of local (toll)
Interlata - a geographical area defined by tariff outside of intralata but still with in the state
Interstate - a geographical area defined by tariff outside of the state

Walen - Enclosure 3

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

April 23, 2011

CHANGE NOTICE NO. 1
OF
CONTRACT NO. 071B1300208
between
THE STATE OF MICHIGAN
And

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (800) 350-1000 Chris Moore
Public Communications Services, Inc. 11859 Wilshire Blvd, Suite 600 Los Angeles, CA 90025 Email: Chris.Moore@gtl.net		CONTRACTOR NUMBER/MAIL CODE
		BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: Cheryl Groves 517-373-0287 Inmate Telephone Services		
CONTRACT PERIOD: From: February 9, 2011 To: February 8, 2016		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION:		

NATURE OF CHANGE(S):

Effective immediately, the Special Equipment Fund (per Month) Table in Exhibit 6P, has been replaced by the Attached Special Equipment Fund (per Month) Revised V2 Table. Change Notice #1 also includes a summary of the Per-Minute Rates that have been set based on the options selected by the State.

All other pricing, specifications, terms and conditions remain unchanged.

AUTHORITY/REASON(S):

Per Contractor, DOC, and DTMB approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$5.00

Summary of the Per Minute Rates

							Optional Key Word Search Addition <small>Option Selected by Agency through Change Notice #1 (From Exhibit 6P)</small>		Optional Special Equipment Fund Addition <small>Option Selected by Agency through Change Notice #1 (From Exhibit 6P)</small>		Per Minute Rate <small>Including Options Selected by Agency</small>
			Per Call Surcharge <small>(From Exhibit 5P)</small>		Base Rate Per Minute <small>Does Not Include Options Selected by Agency (From Exhibit 5P)</small>						
Collect/ Prepaid	Local	=	\$0.00	+	\$0.0393	+	\$0.0075	+	\$0.1532	=	\$0.2000
	Interstate	=	\$0.00	+	\$0.0393	+	\$0.0075	+	\$0.1832	=	\$0.2300
Debit	Local	=	\$0.00	+	\$0.0343	+	\$0.0075	+	\$0.1382	=	\$0.1800
	Interstate	=	\$0.00	+	\$0.0343	+	\$0.0075	+	\$0.1682	=	\$0.2100
	International	=	\$0.00	+	\$0.4995	+	\$0.0075	+	\$0.2430	=	\$0.7500

This table provides a summary of the Per Minute Rates and Optional Services selected by the State and their accompanying costs.
This does not amend or modify any of the pricing or terms in the Contract

Special Equipment Fund (per Month) Revised V2

If the base per minute rates are increased by the totals provided in the Special Equipment Fund (SEF) table, the Contractor will deposit the associated percentage of the Special Equipment Fund (SEF) rate increase as identified below:

For Example: From 6,250,000 to 8,333,333 minutes per month, PCS will deposit 70% of the Special Equipment Fund (SEF) rate increase into the SEF. From 8,333,334 minutes per month to 8,541,667 minutes per month, PCS will deposit 70.25% of the SEF rate into the SEF Fund. For each additional increment of 208,333 minutes per month, PCS will add an additional 0.25% to the SEF deposit percent as outlined.

If the State increases the blended rate for the SEF by more than \$0.18 or if volume drops below 6,250,000 minutes/month, the State and Contractor will mutually agree on any modifications to this table. The following example demonstrates how the blended rate will be calculated:

		EXAMPLE (Blended Rate Calculation)		
		Local, IntraLATA, InterLATA/Intrastate	Interstate	Int'l
		90% - Collect/Prepaid 90% - Debit	10% - Collect/Prepaid 9% - Debit	0% - Collect/Prepaid 1% - Debit
Collect/Prepaid	47%	\$0.1532	\$0.1832	
Debit	53%	\$0.1382	\$0.1682	\$0.2430
Blended Rate		\$0.1487		

Prior to completion of the implementation (State acceptance at all MDOC facilities as identified in the agreed upon project schedule), if the monthly minutes do not reach 6,250,000 per month, PCS will still deposit 70% of the Special Equipment Fund (SEF) rate increase into the SEF.

		Current Special Equipment Fund (SEF) Rate Addition (Updated through Contract Change Notice #1)					
Total Min/Year	Total Min/Month	SEF Blended Rate Addition of \$0.0075 - \$0.1800	Collect Local \$0.1532	Collect Interstate \$0.1832	Debit Local \$0.1382	Debit Interstate \$0.1682	Debit International \$0.2430
75,000,000 - 100,000,000	6,250,000 - 8,333,333	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
100,000,001 - 102,500,000	8,333,334 - 8,541,667	70.25%	70.25%	70.25%	70.25%	70.25%	70.25%

				Current Special Equipment Fund (SEF) Rate Addition (Updated through Contract Change Notice #1)				
			SEF Blended Rate Addition of \$0.0075 - \$0.1800	Collect Local \$0.1532	Collect Interstate \$0.1832	Debit Local \$0.1382	Debit Interstate \$0.1682	Debit International \$0.2430
Total Min/Year	Total Min/Month							
102,500,001 - 105,000,000	8,541,668	8,750,000	70.50%	70.50%	70.50%	70.50%	70.50%	70.50%
105,000,001 - 107,500,000	8,750,001	8,958,333	70.75%	70.75%	70.75%	70.75%	70.75%	70.75%
107,500,001 - 110,000,000	8,958,334	9,166,667	71.00%	71.00%	71.00%	71.00%	71.00%	71.00%
110,000,001 - 112,500,000	9,166,668	9,375,000	71.25%	71.25%	71.25%	71.25%	71.25%	71.25%
112,500,001 - 115,000,000	9,375,001	9,583,333	71.50%	71.50%	71.50%	71.50%	71.50%	71.50%
115,000,001 - 117,500,000	9,583,334	9,791,667	71.75%	71.75%	71.75%	71.75%	71.75%	71.75%
117,500,001 - 120,000,000	9,791,668	10,000,000	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%
120,000,001 - 122,500,000	10,000,001	10,208,333	72.25%	72.25%	72.25%	72.25%	72.25%	72.25%
122,500,001 - 125,000,000	10,208,334	10,416,667	72.50%	72.50%	72.50%	72.50%	72.50%	72.50%
125,000,001 - 127,500,000	10,416,668	10,625,000	72.75%	72.75%	72.75%	72.75%	72.75%	72.75%
127,500,001 - 130,000,000	10,625,001	10,833,333	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%
130,000,001 - 132,500,000	10,833,334	11,041,667	73.25%	73.25%	73.25%	73.25%	73.25%	73.25%
132,500,001 - 135,000,000	11,041,668	11,250,000	73.50%	73.50%	73.50%	73.50%	73.50%	73.50%
135,000,001 - 137,500,000	11,250,001	11,458,333	73.75%	73.75%	73.75%	73.75%	73.75%	73.75%
137,500,001 - 140,000,000	11,458,334	11,666,667	74.00%	74.00%	74.00%	74.00%	74.00%	74.00%
140,000,001 - 142,500,000	11,666,668	11,875,000	74.25%	74.25%	74.25%	74.25%	74.25%	74.25%
142,500,001 - 145,000,000	11,875,001	12,083,333	74.50%	74.50%	74.50%	74.50%	74.50%	74.50%
145,000,001 - 147,500,000	12,083,334	12,291,667	74.75%	74.75%	74.75%	74.75%	74.75%	74.75%
147,500,001 - 150,000,000	12,291,668	12,500,000	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
150,000,001 - 152,500,000	12,500,001	12,708,333	75.25%	75.25%	75.25%	75.25%	75.25%	75.25%
152,500,001 - 155,000,000	12,708,334	12,916,667	75.50%	75.50%	75.50%	75.50%	75.50%	75.50%
155,000,001 - 157,500,000	12,916,668	13,125,000	75.75%	75.75%	75.75%	75.75%	75.75%	75.75%
157,500,001 - 160,000,000	13,125,001	13,333,333	76.00%	76.00%	76.00%	76.00%	76.00%	76.00%
160,000,001 - 162,500,000	13,333,334	13,541,667	76.25%	76.25%	76.25%	76.25%	76.25%	76.25%
162,500,001 - 165,000,000	13,541,668	13,750,000	76.50%	76.50%	76.50%	76.50%	76.50%	76.50%
165,000,001 - 167,500,000	13,750,001	13,958,333	76.75%	76.75%	76.75%	76.75%	76.75%	76.75%

			Current Special Equipment Fund (SEF) Rate Addition (Updated through Contract Change Notice #1)				
Total Min/Year	Total Min/Month	SEF Blended Rate Addition of \$0.0075 - \$0.1800	Collect Local \$0.1532	Collect Interstate \$0.1832	Debit Local \$0.1382	Debit Interstate \$0.1682	Debit International \$0.2430
167,500,001 - 170,000,000	13,958,334 - 14,166,667	77.00%	77.00%	77.00%	77.00%	77.00%	77.00%
170,000,001 - 172,500,000	14,166,668 - 14,375,000	77.25%	77.25%	77.25%	77.25%	77.25%	77.25%
172,500,001 - 175,000,000	14,375,001 - 14,583,333	77.50%	77.50%	77.50%	77.50%	77.50%	77.50%
175,000,001 - 177,500,000	14,583,334 - 14,791,667	77.75%	77.75%	77.75%	77.75%	77.75%	77.75%
177,500,001 - 180,000,000	14,791,668 - 15,000,000	78.00%	78.00%	78.00%	78.00%	78.00%	78.00%
180,000,001 - 182,500,000	15,000,000 - 15,208,333	78.25%	78.25%	78.25%	78.25%	78.25%	78.25%
182,500,001 - 185,000,000	15,208,334 - 15,416,667	78.50%	78.50%	78.50%	78.50%	78.50%	78.50%
185,000,001 - 187,500,000	15,416,668 - 15,625,000	78.75%	78.75%	78.75%	78.75%	78.75%	78.75%
187,500,001 - 190,000,000	15,625,001 - 15,833,333	79.00%	79.00%	79.00%	79.00%	79.00%	79.00%
190,000,001 - 192,500,000	15,833,334 - 16,041,667	79.25%	79.25%	79.25%	79.25%	79.25%	79.25%
192,500,001 - 195,000,000	16,041,668 - 16,250,000	79.50%	79.50%	79.50%	79.50%	79.50%	79.50%
195,000,001 - 197,500,000	16,250,001 - 16,458,333	79.75%	79.75%	79.75%	79.75%	79.75%	79.75%
197,500,001 - 200,000,000	16,458,334 - 16,666,667	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

March 18, 2011

NOTICE
OF
CONTRACT NO. 071B1300208
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (800) 350-1000
Public Communications Services, Inc.		Chris Moore
11859 Wilshire Blvd, Suite 600		CONTRACTOR NUMBER/MAIL CODE
Los Angeles, CA 90025		BUYER/CA (517) 241-3215
Email: Chris.Moore@gtl.net		Steve Motz
Contract Compliance Inspector: Cheryl Groves 517-373-0287		
Inmate Telephone Services		
CONTRACT PERIOD: From: February 9, 2011		To: February 8, 2016
TERMS	N/A	SHIPMENT
		N/A
F.O.B.	N/A	SHIPPED FROM
		N/A
MINIMUM DELIVERY REQUIREMENTS		
N/A		
MISCELLANEOUS INFORMATION:		

TOTAL ESTIMATED CONTRACT VALUE: \$5.00

Walen - Enclosure 4, page 6



Exhibit 4 – Optional Services

Exhibit 4 includes a description of the Optional Services available through this contract. Pricing for these Optional Services is included **Exhibit 6P**.

The Contractor will provide the following **optional services**, at the State of Michigan's discretion.

Feature	Description of Services and Benefits	Cost
InTime Labor Management	Improve your methods of maintaining staff scheduling Reduce overtime costs up to 25% Reduce staff time spent on daily scheduling The most user-friendly scheduling tool on the market	See Exhibit 6P
Information Data Sharing with Wayne County	Share information with Michigan's largest county to enhance investigations No need to set up inmate accounts for transfers from Wayne County Automatically transfer inmate data, such as PANs and call detail records Reduce administrative burden in booking all Wayne County transfers	No Additional Cost (included in Exhibit 5P)
Keyword search	Quickly scan thousands of recordings to locate key words Vastly reduce staff time spent listening to call recordings Search for sounds that make up words (phonetically)	See Exhibit 6P
Cell Phone Detection/ Control	Military-grade hardware that controls inmate access to cell phones "Detects" the presence of cell phones Provides investigative information on the cell phone and SIM card	See Exhibit 6P
Over-the-phone Debit time and commissary ordering*	Inmates order commissary items using the inmate phones Orders processed through automated system prompts Staff spend less time collecting and processing commissary forms *Available with the integration with TAPS.	No Additional Cost (included in Exhibit 5P)
iPhones	Easy and secure website login on the state-of-the-art iPhone Convenient mobile access for administrative and investigative tools No special software or hardware required Investigators can work from their office, their home, or the road Touch the screen to access data, reports, recordings, etc.	See Exhibit 6P
Real-time Debit Transfer*	Debit funds are processed instantly Inmates can make calls as soon as they complete the transfer *Available with the integration with TAPS.	No Additional Cost (included in Exhibit 5P)
Inmate tip/messaging lines	Inmates can record messages for facility staff Can be used to assist in PREA efforts Staff can solicit and track anonymous crime tips	No Additional Cost (included in Exhibit 5P)
Quarterly Business Reviews	Meet face-to-face with your Account Manager on a regular basis Learn about new technology and system features Analyze your account's financial and technical performance Obtain additional training face-to-face or over-the-phone, as <i>you</i> prefer	No Additional Cost (included in Exhibit 5P)
Special Equipment Fund	Funds provided each year to support the State's Special Equipment Fund. This could be used to procure cell phone detection technology, or other further technology initiatives within the MDOC.	See Exhibit 6P
Inmate sick calls (medical ordering)	Inmates select medical appointment times over the phone Appointment selection processed through automated prompts Reduce staff time spent scheduling medical appointments	No Additional Cost (included in Exhibit 5P)
Reverse Lookup	Look up name and address for any dialed number Staff can look up an unlimited number of dialed numbers Display results on a map or satellite image Use Reverse Lookup for calls in progress or completed calls	No Additional Cost (included in Exhibit 5P)
Inmate information lines*	Inmates can obtain recorded information over the phone Includes inmate appointments, court dates, and release dates Reduce staff time spent responding to information requests *Available when ITS is integrated with the OMS	No Additional Cost (included in Exhibit 5P)



Periodic Business Reviews

As part of the services the Contractor offers to our clients during every cutover and annually, semi-annually or quarterly, as the MDOC prefers, a member of our regional Client Services team will meet with all MDOC personnel who use or depend on Contractor services and software. During this Periodic Business Review clients will have an opportunity to receive ongoing training or training for their own recently hired personnel; and have an opportunity to hear about new product offerings or enhancements.

The MDOC will also have a chance to review and discuss whether the existing system is fully meeting the expectations defined during the original contracting and installation process and will be offered information based on a consultation with Contractor's in-house financial and technical experts about how modifications in the existing system might help better satisfy them.

This review process and expertise will be offered throughout the life of the contract and may significantly help maintain MDOC satisfaction with Contractor's offerings even as usage patterns and the MDOC's expectations for installed systems change over time.

Special Equipment Fund

If this option is selected, the Contractor would work with the State to setup a Special Equipment Fund for the purpose of purchasing special equipment on a discretionary basis throughout the life of the contract. The Contractor would deposit funds into the Special Equipment Fund to support the cost of MDOC special equipment purchases, either through this Contract or alternative procurement channels that, on an ongoing basis, MDOC determines that it requires. The Contractor would work with the State to select the deposit schedule, be it monthly, quarterly, or yearly, that best meets the State's needs.

Inmate Sick Calls: A Medical Ordering Solution

The Inmate "Sick Calls" feature offers an inmate the ability to schedule an appointment and receive confirmation over the phone from the Contractor's automated operator.

Reverse Lookup by BTN

The Contractor's Solution includes Reverse Lookup as a standard feature that can be utilized to check a called-to number while a call is in progress, for any frequently called number, or for numbers that have not yet been called before they are added to the inmate's personal number list (PAN). **The Reverse Lookup feature is offered at no cost to the MDOC.**

Access Reverse Lookup by BTN

The Reverse Lookup feature provides the billing name and address associated with a given telephone number and a map, and satellite photo if available. The user merely clicks on the called-to number to bring up the Reverse Lookup dialog box that shows the name and address of the called party.

Inmate Information Lines

The Contractor can configure internal lines, much like the inmate message lines, which inmates can call to check information. If the State's OMS vendor is amenable the Contractor can interface—which can be done simply and require no additional onsite hardware or administration—with the JMS to import data such as inmate medical, dental and barber appointments, court dates, release dates, bail amounts etc. and allow inmates to call an internal line to have this information read to them by the Automated Operator. They could also be allowed to request appointments on these in-house lines and learn whether their appointment was made and at what time when next they called the Inmate Information line.

Integration with JPay for Card Release Services

With JPay's cooperation, the Contractor has the ability to integrate with JPay's solution to allow inmates to receive debit account refunds through JPay's Release Debit Card service. When an inmate is released, The Contractor can transfer inmate phone account funds to the inmates' trust account. The funds can then be loaded onto a debit card from JPay that the inmate can use at any ATM or merchant. Alternately, the Contractor has a kiosk product line that also includes the integrated release debit card service.



Voice Verification/Biometrics

The Solution's Voice Verification feature can be employed in conjunction with the keyed-in PIN numbers. With this technology, inmates are required to speak their PIN as well as provide a keyed-in PIN number in order to make a telephone call. The inmate's voice is matched against the spoken PIN as recorded during account enrollment and also against the PIN number. The call will only go through if the voice and PIN match. This prevents inmates from making fraudulent calls using another inmate's PIN.

Other Services

The Contractor understands that the State is working with JPay to provide inmate voicemail, email and lobby kiosks. The Contractor has the capability to provide these services in the future, should the State so desire.

- **Inmate Voicemail** - The Contractor's solution can provide inmate voicemail that is fully monitored and recorded.
- **Inmate Email** - The Contractor has several solutions for providing inmate email. Emails can be printed and distributed to inmates, or inmates can access email through a designated kiosk.
- **Lobby Kiosks** - The Contractor can provide an online centralized deposit solution that provides additional payment channels for funding inmate trust accounts that includes a kiosk release solution.
- **Visitation Telephones** - The Contractor has the ability to provide the State with PIN-operated visitation phones that would allow visitation phone calls to be monitored and recorded, just as the inmate phones are monitored and recorded. The Contractor can provide Navitel (OTC-2120S Visitor Side; OTC-2110V Inmate Side) visitation phones.

With this solution, the inmate is required to enter his/her PIN on the inmate visitation phone keypad in order to connect to their visitor. This allows for the identification of the inmate through the ICM. Once the inmate is identified, the call can be recorded and monitored just like a standard inmate telephone call.

- **Disposable Hospital Phones** - The Contractor has the ability to provide disposable hospital phones for inmates in the infirmary.



Exhibit 5P - Pricing

The Contractor will have full responsibility for project implementation. Items, which are not produced or provided directly, shall be marked as such. Prices shall be inclusive of any and all costs associated with full implementation, which may include but is not limited to applicable, such cost of manufacture, packing, handling loading/unloading, removal of debris, transportation, inside delivery, installation, training, maintenance, documentation, insurance, and any other item that could be interpreted as the overall cost to procurement.

The firm fixed price for performing services in accordance with the provisions and requirements stated in this Contract is provided below. This price is fixed/firm throughout the life of the contract.

Collect/Pre-paid Collect Calls:

Call Type	Per Call Surcharge (Firm Fixed Price)	Rate per minute (Firm fixed Price)
Local	\$0	\$0.0393
Intralata	\$0	\$0.0393
Intrastate	\$0	\$0.0393
Interstate	\$0	\$0.0393

Debit/Debit Cards:

Call Type	Per Call Surcharge (Firm Fixed Price)	Rate per minute (Firm fixed Price)
Local	\$0	\$0.0343
Intralata	\$0	\$0.0343
Intrastate	\$0	\$0.0343
Interstate	\$0	\$0.0343
International	\$0	\$0.4995

Additional Costs:

The above rates are inclusive of **all fees** (except for a credit card fee). There will be no fees or taxes allowed other than those identified below:

Allowable Additional Costs not included in the Firm Fixed Per Minute Rates include:

- Federal and local taxes and Universal Service Fund may be passed through, however they shall not exceed the actual cost to the provider
- Credit Card Transaction Fee
 - Vendors charging a Credit Card Transaction Fee must provide a **single fee** that will be applicable for all funding methods (IVR, Live Operator, Kiosk, Website, etc.) in all amounts.

Single Credit Card Transaction Fee
\$3.95

- Other than the Allowable Additional Costs disclosed by the Contractor in Exhibit 5P, no additional fee/cost or billing statement fee or other expenses may be charged by the vendor's, subcontractor(s), or by a vendor's third-party agent.
- In the event kiosks or alternative payment channels are implemented, other than the Allowable Additional Costs disclosed by the Contractor in Exhibit 5P, no additional taxes or other expenses may be charged by another vendor's subcontractor, or vendor's third-party alternative payment channel provider, such as TouchPay, JPay, ICSolutions (ICS), V-Connect (Value Added Communications / VAC), EZCard, or any other third-party account funding channel or company.



- The amount charged for credit card transactions must be provided as the \$3.95 single fixed fee regardless of the amount deposited – i.e. \$25, \$50 or \$500.
- The all-inclusive firm fixed per minute rate includes bill rendering fees/bill service fees for collect calls, pre-paid collect account set up fees, account maintenance fees, minimum usage fees, inactivity fees and account termination fees.
- Per minute pricing shall be based on the understanding that Carrier Assessed Administrative Fees will not be allowed.
- All allowable additional costs are included in the table below:

Additional costs not included in Firm Fixed Per Minute Call Rate Contractor is allowed to charge.	Pre-Paid Collect Calls	Collect Calls	Debit/Debit Card Calls
account close-out fees	No	No	No
account maintenance fees	No	No	No
automated IVR deposit fee	No	No	No
bill processing/rendering fee	No	No	No
bill statement or billing recovery fees	No	No	No
check by phone processing fees	No	No	No
credit card transaction fees	*\$3.95	No	No
internet web deposit fee	No	No	No
regulatory recovery fees	No	No	No
single bill fees	No	No	No
Universal Service Fund	**Yes	**Yes	**Yes
Taxes	**Yes	**Yes	**Yes
Account Inactivity Fee	No	No	No
Zero utilization fees	No	No	No
Other fees not identified in table	No	No	No

* Vendors charging a Credit Card Transaction Fee must provide a **single fee** that will be applicable for all funding methods (IVR, Live Operator, Kiosk, Website, etc.) in all amounts.

** Federal and local taxes and Universal Service Fund may be passed through; however they shall not exceed the actual cost to the provider

**Exhibit 6P – Pricing for Optional Services**

Exhibit 6P includes pricing for the optional services described in Exhibit 4. The State may select to procure these optional services at any time during the contract period.

The following rate adjustments are provided for each of the Optional Services listed below:

Optional Service	Addition to the Per-Minute Rate for Each Call Type
1 - Special Equipment Fund (1)	See Special Equipment Fund Table for pricing
2 - RESERVED	
3 - Nexidia Key Word Search	\$0.0075
4 - InTime Labor Management	\$0.0050
5 - Cell Phone Detection/Control	To be determined based on the product, scope, and features selected by the State
6 - iPhones (2)	To be determined based on quantity
7 - Additional Investigative Site Administrators (3)	\$0.0035
8 - Voice Verification/Biometrics	\$0.0450

(1) See Special Equipment Fund Table for pricing.

(2) The PCS Team would work with the MDOC to determine the number of phones and service desired and would then negotiate whether any additional per-minute price is required to meet those needs.

(3) This includes 3 or more site administrators in addition to the 5 that are already included as part of the standard service offering.



Everything Michigan

Dad says spike in telephone fee at Michigan prisons will make communicating with son more difficult

Published: Sunday, June 19, 2011, 9:17 PM Updated: Sunday, June 19, 2011, 11:36 PM



By **Aaron Aupperlee | Jackson Citizen Patriot**

By the end of the month, the cost of a 15-minute phone call between Robert Avery and his incarcerated son will increase by 67 percent.

Under a contract with a new company, telephone calls from Michigan's prisons will jump from between 10 and 12 cents per minute to 18 to 20 cents.

The new contract, signed with Alabama-based Public Commutations Services, PCS, allows the prison system to maintain a relatively inexpensive phone system while paying for technology upgrades and better security, said John Cordell, spokesman for the Michigan Department of Corrections.

"This rate is still very good," Cordell said. "We understand there is a great cost burden for families. We totally get that."

But for Avery, the rate increase will make it more difficult to talk with his son, Aaron Avery, currently serving five to 15 years in prison for criminal sexual conduct.

"It's not going to be easy," Robert Avery said. "I'm retired, and I'm on a pension, but I'll do what I have to to keep the phones open."

Robert Avery, who lives in Jackson, is in a wheelchair and considers a visit to see his son at the Pugsley Correctional Facility in northern Michigan unlikely. Phone calls, he said, are his only way of staying in touch with his son.

"The phone call and the writing," he said. "And I'm a lousy writer."

In 2008, Aaron Avery, then 31, met a woman over the Internet, his father said. The woman told Aaron Avery she was 19 and the two arranged a visit in Cheboygan County. Police came looking for Aaron Avery, who lived in Jackson at the time, shortly after the two met in person. The woman, Aaron Avery later learned, was only 15 years old.

"He knew he did wrong," Robert Avery said. "He turned himself in. It was too late to do anything about it. He'd already committed the sin."

Aaron Avery pleaded guilty to third-degree criminal sexual conduct with a person 13- to 15-years-old. He was sentenced in October 2008.

He calls his father nearly every day, Robert Avery said, at least five times a week. Prisoners are allowed to talk for 15 minutes at a time.

"Sometimes he'll call me two or three times a day, if he gets irritated," Robert Avery said.

Walen - Enclosure 5, page 1

Under the old contract, Robert Avery would send his son money to call him collect. At 12 cents a minute, each 15-minute call cost Robert Avery \$1.80. Five calls a week, a low week, ran Avery \$9. A retired U.S. Postal Service employee living on a pension, Avery has built phone calls to his son into his budget.

Under the new contract, phone calls will cost Robert Avery 20 cents a minute. That 15-minute phone call now runs him \$3; a week's worth of calls costs \$15. He will find the money somewhere and still talk to his son as much as he can. Talking with his son will help Aaron Avery when he is released.

"If you can make life more comfortable for my son or who is ever up there, do it, because they got enough problems as it is," Robert Avery said.

The corrections department had contracted with Kansas-based EMBARQ. That contract expired in 2009 but the company agreed to continue service until the department found a new vendor, Cordell said. EMBARQ offered the department the fifth cheapest phone rate for prisons in the country. The new contract with PCS gives Michigan prisoners the 11th cheapest phone rate in the country.

The contract is a zero-dollar contract. The corrections department contracts with PCS for the service and the users pay for it. It does not generate a profit for the department, Cordell said.

The new rate is still much cheaper than collect calls placed outside of the prison system. According to rate information on AT&T's website, collect calls using 800-CALL-ATT cost \$1.49 per minute with a \$5.99 to \$8.50 service charge per call. It costs \$3.99 per minute and a \$9.99 connection fee to make a call using 800-COLLECT, according to rates on their website.

The rate increase will go toward providing more phones in prisons and upgrading existing technology. About 29 percent of the per minute rate goes into a fund to equip the prison to detect and jam cell phones within facilities, Cordell said.

Across the country, inmates using smuggled cell phones is becoming a growing problem. It has not gotten out of hand in Michigan, Cordell said, with about eight to 10 cell phones confiscated each year. Michigan law makes it a felony to bring in a cell phone as contraband. But the trend has prison officials concerned. They search for cell phones everyday, and the new technology will allow prisons to jam cell phone signals.

"They are a huge security issue — especially a smart phone. You can run your criminal empire. You can run and organize escapes. You can put hits out on people," Cordell said. "We take them very, very seriously."

The new phone system will be phased into Michigan's prisons throughout the month. People can go to www.pcsdailydial.com for more information.

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**STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2011**

Introduced by Senator Kahn

ENROLLED SENATE BILL No. 138

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2011; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2011, from the following funds:

APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	325,769,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION	\$	325,769,400
Federal revenues:		
Total other federal revenues.....		175,327,600
Special revenue funds:		
Total local revenues.....		(5,018,500)
Total private revenues.....		407,200
Total other state restricted revenues		23,242,700
State general fund/general purpose	\$	131,810,400

Sec. 102. DEPARTMENT OF COMMUNITY HEALTH

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	286,500,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION	\$	286,500,800
Federal revenues:		
Total other federal revenues.....		195,418,300

Sec. 205. (1) In a form and manner determined by the recipient department, local governments and other eligible subrecipients receiving funds through this act shall comply with all requirements corresponding to the receipt of funds, including, but not limited to, any certifications, assurances, and accountability and transparency provisions required in the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Funds appropriated in part 1 may be transferred to subrecipient state departments or agencies in an interdepartmental grant consistent with the requirements of the American recovery and reinvestment act of 2009, Public Law 111-5.

CAPITAL OUTLAY

Sec. 250. The cost to construct the Bay City state police post project, initially authorized for construction in 2008 PA 278, and subsequently adjusted in 2010 PA 27, is hereby increased by \$500,000.00, from \$3,200,000.00 to \$3,700,000.00 (total state building authority share \$3,699,900.00, state general fund share \$100.00).

DEPARTMENT OF CORRECTIONS

Sec. 271. As a condition for expending money appropriated in 2010 PA 188, the department of corrections shall give state employees the opportunity to bid on contracts that privatize services that are or were provided by state employees. If the contract is awarded to any state employee, he or she ceases being an employee of the state.

Sec. 272. Any contract for prisoner telephone services shall impose fee schedules for prisoner telephone calls that are no greater than the fee schedules for standard calls placed by residential users in the area surrounding the correctional facility.

DEPARTMENT OF STATE

Sec. 301. (1) Unexpended and unencumbered amounts of funds remaining in accounts appropriated in section 401 of 2007 PA 142, for implementing the help America vote act of 2002, 42 USC 15301 to 15545, for the secretary of state shall be reappropriated for the fiscal year ending September 30, 2011 in an appropriation line item entitled help America vote act.

(2) The funds shall remain available for expenditure to implement provisions of the help America vote act of 2002, 42 USC 15301 to 15545, section 37 of the Michigan election law, 1954 PA 116, MCL 168.37, and other election reforms. Consistent with the help America vote act of 2002, 42 USC 15301 to 15545, the unexpended funds reappropriated into the help America vote act line item are considered work project appropriations and any unencumbered or unallotted funds are carried over into succeeding fiscal years. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to implement provisions of the help America vote act of 2002, 42 USC 15301 to 15545, section 37 of the Michigan election law, 1954 PA 116, MCL 168.37, and other election reforms.

(b) These projects will be accomplished by state employees, by contracts with private vendors, or by grants to local units of government.

(c) The total estimated cost of these projects is \$7,705,300.00.

(d) The tentative completion date for these projects is September 30, 2015.

DEPARTMENT OF STATE POLICE

Sec. 351. (1) The appropriation in part 1 to the disaster contingency fund is made pursuant to section 18 of the emergency management act, 1976 PA 390, MCL 30.418.

(2) Up to \$250,000.00 is appropriated out of the disaster contingency fund for disaster assistance related to the state of emergency declared for the disaster in the city of Battle Creek and Calhoun County on May 29, 2011. An expenditure under this subsection shall be made only for purposes specifically authorized under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. The department of state police shall notify the house and senate appropriations subcommittees on state police and the house and senate fiscal agencies immediately upon expenditure of any funds under this subsection.



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Congress News Service, Inc.

**SNYDER SIGNS SUPPLEMENTAL, NOTES
D.O.C. BOILERPLATE**

July 14, 2011

While he didn't veto the boilerplate, Governor Rick Snyder indicated some language lawmakers inserted into a supplemental regarding the Department of Corrections is either limited or unenforceable.

Mr. Snyder signed SB 138, PA 83, on Wednesday; a supplemental appropriation bill that mainly accounts for changes in caseloads to Medicaid and welfare caseloads.

But the bill also includes boilerplate directing that if a Corrections service is put up for bid to a private contractor, Corrections employees should also be able to bid for that job. If those employees are ultimately rewarded with the contract, they would cease to be state workers.

But Mr. Snyder noted in his signing letter that the section imposes conditions on appropriations not contained in the supplemental.

"The conditions purportedly imposed by this section cannot be valid conditions on appropriations as they are outside the scope of the title and object of the bill and may violate

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Constitution 1963, Article IV, Section 24," the governor wrote.

He also said boilerplate requiring that prisoner telephone fees be no greater than the fees for standard residential calls made in the community surrounding a prison also had limited enforceability.

The supplemental only contains \$1 million for Corrections for a Flint public safety project that would support the transfer of up to 200 inmates from the Genesee County Jail to surrounding county jail facilities.

Mr. Snyder noted the telephone boilerplate can only be enforceable to the extent the \$1 million would be used for any prisoner telephone service contract.

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